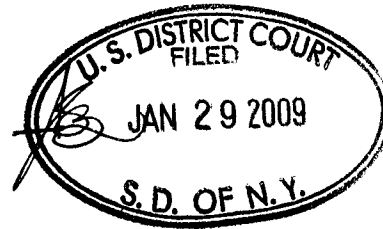


DICKSTEINSHAPIRO LLP

110 West 47th Street, 11th Floor New York, NY 10036-2714
Tel. (212) 277-6500 | Fax (212) 277-6501 | dicksteinshapiro.com

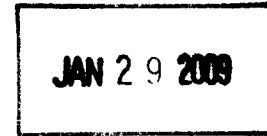


January 29, 2009

BY HAND

Honorable Lawrence M. McKenna
United States District Judge
Southern District of New York
500 Pearl Street
Room 1640
New York, New York 10007

RECEIVED
IN CHAMBERS



LAWRENCE M. MCKENNA
USDJ SDNY

DOC # _____

Re: *United States v. Bernard L. Madoff*, 08 Mag. 2735

Dear Judge McKenna:

We represent Defendant Bernard L. Madoff in the above referenced matter. On behalf of Mr. Madoff we write to respectfully advise the Court that we have hired a new security firm, Stroz Friedberg Investigations ("Stroz"), to comply with items numbered 4, 7, 8 and 9 of the Court's January 16, 2009 Order (the "Order"). By way of background, we hired the security firm Casale Associates ("Casale") in compliance with Magistrate Judge Theodore Katz's December 19, 2008 Order, which required, among other things, a security firm to monitor Mr. Madoff to prevent harm or flight. On January 26, 2009, Casale notified us that it would resign from its engagement for reasons set forth in its letter attached hereto. We worked expeditiously with Assistant United States Attorney Marc Litt to identify a security firm, acceptable to both parties, and decided on Stroz. Casale will continue its monitoring responsibilities pursuant to the Order until Friday, January 30, 2009, when it will transfer responsibility to Stroz. Mr. Madoff remains in compliance with all terms of the Order. The United States Attorney's Office has approved of and consented to the foregoing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ira Lee Sorkin".

Ira Lee Sorkin

attachment

cc: Assistant United States Attorney Marc Litt

CASALE ASSOCIATES, LLC
PRIVATE INVESTIGATORS

260 Madison Ave.
New York, NY 10016

Visit us at: www.casaleassociates.com

Nicholas Casale
Email: ncasale@casaleassociates.com
Direct Dial: 212-448-6205
Fax: 212-448-0066

January 26, 2009

Via Email: horwitzd@dicksteinshapiro.com

Dickstein Shapiro, LLP
1177 Avenue of the Americas
New York, New York 10036
Attn: Daniel J. Horwitz, Esq.

Re: **BERNARD L. MADOFF**

Dear Mr. Horwitz:

Thank you for retaining Casale Associates to develop the security plan that addressed your client's flight, safety and security concerns.

However, it now appears that the scope of what is required has changed. While Casale Associates is fully capable of providing the necessary security under the plan, the added requirement of providing worldwide inventorying of your client's possessions is something we are not structured to fulfill. As you know, we are primarily an investigative firm and lack the capability of providing long-term global forensic accounting services. Therefore, as we discussed it would be beneficial to all if you found another firm that would meet these specific needs.

We appreciate the opportunity to have worked with you on the Madoff case and for developing the security / bail plan that was accepted by the Government and approved by the Court. Casale Associates will continue to provide security services until a guard company is selected and approved – thereby, guaranteeing a seamless transfer.

We look forward to working with you in the future. If you have any questions do not hesitate to contact me at the numbers set forth above.

Regards,

Nicholas Casale